

**SECOND AMENDED AND RESTATED
EMERALDA MARSH TRACT LEASE AGREEMENT**

This Second Amended and Restated Lease Agreement ("Lease" or "Agreement") is made and entered into this 15th day of June 2023 (the "Effective Date"), by and between the Governing Board of the St. Johns River Water Management District, a public body existing under Chapter 373, Florida Statutes, whose address is Post Office Box 1429, Palatka, Florida 32178-1429 ("District"), and LJF FPS, LLC, a Delaware limited liability company, D.B.A. Florida Potting Soils ("Lessee"), whose address is 862 S. Duncan Drive, Tavares, Florida 32778. Lessee and the District are collectively referred to herein as "the Parties," Wherever used herein, "District" and "Lessee" include all parties to this instrument, their successors, and assigns.

PREMISES

The District is the sole and exclusive owner of certain lands situated in Lake County, Florida, commonly known as the Emeralda Marsh Conservation Area ("EMCA").

On April 21, 2016, the District and Sun Gro Horticultural Excavation and Processing LLC ("Sun Gro"), entered into the Emeralda Marsh Tract Lease, a lease of approximately 1,320 acres of the EMCA, for the purpose of excavating the peat soils located thereon in conjunction with District restoration activities ("Lease"). The leased area is described in attached Exhibit A (hereinafter "the Property").

Lessee intends to process and resell the excavated soil to consumers and other end users. The District has determined that leasing the Property to Lessee is a part of the District's overall restoration and public recreation objectives for the EMCA and that removal of the nutrients is consistent with these objectives. The Lessee consideration will be paid through royalties and assisting in the improvement of recreational boating access.

In 2019, Lessee changed its company name. At that time, Lessee also changed the number and size of its proposed excavation segments or cells and the Parties agreed to restructure the Financial Assurance requirements in the Lease. On August 10, 2021, the Parties entered into the First Amendment to Emeralda Tract Lease Agreement ("First Amendment") to reflect these changes.

Lessee obtained all approvals and permits necessary to carry out the work under the Lease on March 15, 2021, at which time the requirements in the Lease for Lessee to make Minimum Annual Royalty payments to the District began. In mid-2022, Lessee commenced excavation activities under the Lease.

Due to unforeseen market changes, Lessee has not been able to make the Royalty and Minimum Annual Royalty payments to the District as required by the Lease.

Additionally, the excavation area authorized by the Lease has been modified, and the Parties desire to reflect those modifications in the terms of the Lease.

The parties desire to amend the Lease to adjust the Royalty payments in the Lease to account for the changing market conditions and to update the terms of the Lease to reflect changes that have occurred since excavation activities have commenced.

NOW, THEREFORE, in consideration of the above premises, which are hereby made a part of this Lease, and other good and valuable consideration, including, but not limited to, payment of royalties by Lessee as provided herein, and subject to the provisions contained herein, the Parties hereby agree as follows:

1. The District leases to the Lessee and the Lessee leases from the District the Property and the District grants to Lessee, and Lessee accepts, the sole and exclusive right to excavate, stockpile, and remove peat from the Property. This Lease is for the sole and exclusive purpose of excavating peat from the Property, and related activities, including storage, warehousing, processing facilities, and restoration work in accordance with the provisions of this Lease. Soil shall be excavated, and after excavation, the Property shall be contoured in accordance with the "Excavation and Contour Plan" (or "Plan") prepared by Lessee and approved by the District, as modified by the Permits and those field changes approved by the District, as identified in Exhibit A. Time is of the essence to all timing requirements set forth herein. (Unless otherwise stated herein, all time references are to calendar days.)

2. Term.

(a) The Effective Date of this Lease shall be June 15, 2023. The initial term shall extend for ten years from the Final Approval Date of March 15, 2021. If, at the expiration of the initial term there is additional peat on the Property to be excavated, then Lessee shall have the option to renew this Lease for an additional five-year term under the same conditions contained herein, but subject to inflation adjustment to the Royalty rate as provided below. Renewal shall be effective upon Lessee's written notification to the District of Lessee's intention to renew on or before ninety days prior to the expiration of the initial term, i.e., by December 15, 2030.

(b) In addition, if at the expiration of a renewal term there is additional peat on the Property to be excavated, then Lessee shall have the option to renew this Lease for a further five years, upon providing at least 90 days prior notice (i.e., by December 15, 2035 or December 15, 2040, etc.), on the same conditions contained herein, but subject to inflation adjustment to the Royalty rate as provided below.

(c) Timelines. The following is a summary of the timelines in this Agreement:

Paragraph 1	Term	10-years (March 15, 2021 through March 15, 2031).
Paragraph 1	Renewal Term(s)	(Exercised at least 90 days prior to expiration of the initial term (i.e., December 15, 2030) or a renewal term (i.e., December 15, 2035), as applicable —5 years.

Paragraph 4	Storage Term	5 years after expiration of later of term or a renewal term, as applicable.
Paragraph 24	Overholding Term on entire Property	6 months after expiration of later of term or a renewal term, as applicable.
Paragraph 24	Overholding Term on Storage Area	6 months after expiration of storage term.
Paragraph 9	Boat Access – Lessee to excavate canal to allow passage of boats drawing 4 feet of water.	Within 30 days after expiration of initial or a renewal term, or termination.

3. Royalties.

- (a) Lessee intends to excavate and process soil from the Property for sale to consumers or other end users. Lessee is solely responsible for payment of all sales taxes due as a result of sale of soil excavated from the Property. Lessee has produced its Florida Resale Certificate to the District and has thereby relieved the District of the obligation to collect sales taxes from Lessee or its successors. Lessee shall maintain a valid Florida Resale Certificate during the term of this Lease and shall provide a copy to the District by no later than January 30 of each year.
- (b) Royalty. Lessee shall pay the District a "Royalty" of \$0.25 for each cubic yard of peat material and/or other soil from the Excavation Area that is mined and removed off the Property.

Lessee shall submit to the District on a monthly basis, by the last day of the month following the month the soil or material was removed from the site, copies of all delivery tickets signed by the drivers removing soil or material from the Property as each truckload of material is removed (e.g., copies of tickets for soil or material removed from the site on January 15 shall be due by February 28). Royalty payments shall be made to the District on a monthly basis by the last day of the fourth month following the month the soil or material was removed from the site. Specifically, the due dates are as follows:

Month Excavated	Date Reported	Date Paid
January	February 28/29	May 31
February	March 31	June 30
March	April 30	July 31
April	May 31	August 31
May	June 30	September 30

June	July 31	October 31
July	August 31	November 30
August	September 30	December 31
September	October 31	January 31 (following year)
October	November 30	February 28/29 (following year)
November	December 31	March 31 (following year)
December	January 31 (following year)	April 30 (following year)

Royalty payments shall be accompanied by a written report or ledger showing the total cubic yards of soil removed off the Property during the month for which payment is due. This report shall be an itemized daily breakdown obtained from the delivery tickets signed by the drivers removing soil from the Property as each truckload of material is removed. With respect to the removal of soil or material off the Property, any of Lessee's accounts and records pertaining to soil or material removal undertaken by Lessee pursuant to this Lease shall be open to inspection by the District at reasonable times, and upon reasonable notice to Lessee.

- (c) Outstanding Royalty payments. All outstanding Royalty payments due to the District from Lessee for soil and material removed from the Property between March 15, 2021 and the Effective Date of this Second Amendment shall be paid by no later than July 31, 2023. Said payments shall be accompanied by a written report or ledger showing the total cubic yards of soil removed off the Property between March 15, 2021 and the Effective Date of this Second Amendment. This report shall be an itemized daily breakdown obtained from the delivery tickets signed by the drivers removing soil from the Property as each truckload of material was removed.
- (d) Royalty Rates for any Renewal Terms. The Royalty rates for the five-year renewal term and any subsequent renewal term shall be subject to adjustment based upon the change in the Consumer Price Index (CPI) during the previous term of this Lease; provided, however, that the increase shall not exceed three percent per annum for any and each year of the initial term. The percentage increase of the Royalty rate shall be the same rate of increase of the "Consumer Price Index for All Urban Consumers" provided by the Bureau of Labor Statistics, subject to the 3% annual limitation. The CPI adjustment shall take effect upon commencement of the renewal term and shall not be further modified during the term. For example, the Royalty rate for a first renewal term will be calculated by adding the percentage increase of the

“Consumer Price Index for All Urban Consumers” for year 1 of the Initial Term to the \$0.25 per cubic yard Royalty rate, and then adding to that total the percentage increase of the “Consumer Price Index for All Urban Consumers” for year 2 of the Initial Term, and so forth. The percentage increase from one year to the next, for the purpose of calculating the renewal Royalty rate, may be no more than 3% over the previous year. For example:

Year	CPI for All Urban Consumers hypothetical rate	Year over year Royalty rate for example calculation purposes
1	2%	\$0.26
2	2.50%	\$0.26
3	7% (capped at 3%)	\$0.27
4	3%	\$0.28
5	1%	\$0.28
6	0.50%	\$0.28
7	2%	\$0.29
8	2.50%	\$0.29
9	2.75%	\$0.30
10	2.50%	\$0.31
Renewal Term Royalty rate example: \$0.31 per cubic yard		

- (e) The District shall have the right to conduct soil borings on the Property to verify the quantity of soil excavated and removed therefrom, upon reasonable prior notice to the Lessee, provided that such boring shall not interfere with the Lessee's operations on the Property.
4. Peat Excavation Operations.
- (a) Excavation and Contour Plan. Lessee has prepared, and the District has approved an Excavation and Contour Plan that describes:
- (1) The intended location of all planned excavation;
 - (2) The intended location of all planned retention areas;
 - (3) The location of all existing and planned roads to be utilized by Lessee;
 - (4) The location and dimensions of planned buildings, pump stations, and other structures or facilities;
 - (5) The maximum allowed water levels set by the District that may not be exceeded on the Property, as provided by the District to the Lessee;
 - (6) Such additional matters as reasonably necessary to fully describe the material scope of Lessee's planned excavation and storage activities on the Property, including but not limited to, an accounting method for measuring the volume

of peat and other soil removed from the Property, the means by which to minimize excavation of the non-organic substrate below the peat, a continuous sampling and analysis plan for pesticides and metals, and the means by which to keep the properties identified on the attached Exhibit C hydrated, consistent with existing conditions at the time of execution of this Agreement, in the event water drawdown by the Lessee on the Property adversely impacts the hydration of such abutting properties. The Plan also describes the contour condition of the Property upon completion of Lessee's excavation activities and termination of this Lease. The District will provide its required approval or reasonable objection within 15 work days after final submission by the Lessee of all information necessary for the District, including written confirmation from the Florida Department of Environmental Protection ("FDEP") that the soil does not meet the definition of "contaminated soil" under Rules 62-713.200(3) or 62-780.200(10), failing provision of such approval, the District shall be deemed to have provided its approval; and

- (7) That a permit pursuant to chapter 62-348, Florida Administrative Code, is not required, to review and approve the Plan.

Lessee has delivered to the District two complete sets of the Plan finally approved by the District and permitting agencies and signed by Lessee before commencement of any construction or excavation activities on the Property.

The District acknowledges that the Plan was based on estimates and projections only, and that it may need to be modified to reflect the actual circumstances of Lessee's activities and property as it is being excavated. In such event, Lessee shall have the right to revise the Plan, subject to the District's written approval, not to be unreasonably withheld or delayed. In the event a dispute arises regarding any proposed modification to the Plan, the Parties shall meet in person to discuss the proposed modification and any changes that would make such modifications acceptable to the Parties.

- (b) For purposes of this Second Amendment, "Final Approval" shall mean all approvals and permits required by the Lessee in order for the Lessee to be able to carry out all the work contemplated herein, and the date on which such Final Approval is obtained, which was March 15, 2021, shall be referred to herein as the "Final Approval Date." Save for the District's failure to comply with its obligations set out in this Agreement, the District shall not be liable to Lessee for the failure to commence construction or excavation, or to complete the project.
- (c) Required Elements of Excavation and Contour Plan. The Excavation and Contour Plan shall include the following provisions:
 - i. Bottom areas outside of the "Excavation Area", as depicted in Exhibit B, with an elevation greater than 52 ft. NAVD 88 shall not be disturbed during excavation operations. Bottom areas within the "Protected Area", as depicted in Exhibit B, with an elevation greater than 54 ft. NAVD 88, which are

currently vegetated, shall be protected from drying during excavation operations by levees or other structures so as to maintain shallow flooding of between one and three-foot depth in the vegetated habitat.

- ii. Edges of excavated areas less than 50 ft. NAVD 88 elevation shall be contoured to a minimum slope of four-to-one (4:1) following completion of excavation operations in each area. This requirement includes both side slopes around the perimeter of mined areas but not slopes in deeper areas within that perimeter.
 - iii. The Executive Director is authorized to make amendments to this subsection (c) if demonstrated to be in the best interest of the District.
- (d) Lessee Authorized Activities. The following additional activities are authorized on the Property:
- i. Use all clay, sand, shale or other soils or minerals located on the Property for the purpose of building, improving and maintaining roads required for transportation on the Property; provided, however, that District, in reviewing and approving the Excavation and Contour Plan, must approve the location of the clay, sand, shale or other soils or minerals to be removed, and the location of the transportation roads;
 - ii. Utilize portions of the Property that are near or contiguous to previously excavated phases or cells within the Property for dewatering, drying and/or temporary storage of recently excavated peat, as required to carry out the approved Excavation and Contour Plan;
 - iii. Move onto, store, maintain, operate and construct on the Property such equipment, machinery, facilities and buildings as are reasonably necessary to accomplish the excavation allowed by this Lease, drying and processing same. Such machinery, facilities, buildings and equipment shall remain the property of Lessee. Lessee shall remove all its machinery, facilities, buildings, personal property and fixtures from the Property within six months following termination of this Lease. In the event of failure by Lessee to remove all such equipment, machinery, facilities and buildings within six months following termination of the Lease, the District may remove and dispose of or retain the same as the District determines in its sole and complete discretion. Lessee shall be liable for all removal, storage, and disposal costs. Unless the Lease is terminated due to default by Lessee, Lessee shall have the right to utilize the holding area shown on Exhibit A ("Storage Area"), comprising approximately 53 acres, more or less, to keep, dry and remove stockpiled soil for up to five years following the completion of removal from the excavation areas ("Storage Term"). After the second year of the Storage Term, Lessee shall pay on a quarterly basis annual rent of \$300.00 per acre used by the Lessee during that quarter for

its use of the Storage Area. This Lease shall remain in effect for the Storage Term with respect to the Storage Area and roadway accesses to and from such area. For clarity, the Lessee shall be required to pay Royalty at the rate applicable during the last year of the term immediately prior to the commencement of the Storage Term, on soil removed from the Storage Area during the Storage Term, and such Royalty fees shall be credited towards rent otherwise payable, or rent actually paid shall be credited against Royalty otherwise payable during the Storage Term.

- (e) Excavation Progress. The Parties anticipate that Lessee will excavate soil from the Property in phases, cell by cell. Lessee shall not commence excavation from a new cell without having simultaneously commenced the earthwork as designed in the Excavation and Contour Plan for the cell previously excavated. Any internal berm construction shall be removed upon completion of a cell. The side slopes and bottom elevations shall meet the approved Plan and all permit requirements. However, some variability in the bottom elevation is acceptable, i.e. ditches and bottom contouring. No areas shall be excavated to a lower elevation than shown on the approved Plan. Any ditches to be left shall not cause an adverse impact to adjacent wetlands.
- (f) Lessee Control of Site. During the term of this Lease, Lessee is solely responsible for the conduct and control of all activities by Lessee, its employees, licensees, and invitees, on the Property. District does not, by or through its activities in inspecting the Property and reviewing Lessee's activities thereon for the purposes of this Lease, assume any duty as to the condition of the Property with regard to the safety of Lessee, its employees, licensees, and invitees. Nor does the District assume any duty for the benefit of third parties or governmental agencies regarding compliance with permit conditions or any other matters associated with Lessee's activities under this Lease. Lessee is solely and directly responsible to any such third parties for all liability associated with its activities under this Lease. Lessee is solely and directly responsible for compliance with any permits related to the excavation or transportation and shall indemnify the District and hold it harmless for any costs or penalties the District incurs as a result of Lessee's activities or failures to satisfy permit conditions. Lessee is not responsible for any pre-existing conditions on the site except as may specifically be provided in Sections 21 and 22 of this Lease.

5. Lease Management and Notices.

- (a) The Project Managers listed in subsection (c) below shall be responsible for overall coordination and communication regarding activities conducted under the Lease. Either party may change its Project Manager upon three business days prior written notice to the other party. Written notice of change of address shall be provided within five business days. The District's Project Manager shall have sole responsibility for transmitting instructions, receiving information, and communicating District policies and decisions regarding all matters pertaining to the Lease.

- (b) All notices, consents, approvals, waivers and elections which any party shall be required or shall desire to make or give under this Lease shall be in writing to the addresses below and shall be sufficiently made or given: (i) when mailed by certified mail, postage prepaid, return receipt requested; (ii) by hand delivery to the named individuals representing the party to be notified; or (iii) by private parcel delivery services, or (iv) facsimile or email transmission for which receipt is provided to the notifying party. Notices via certified mail are deemed delivered upon receipt. Notices via overnight courier are deemed delivered one (1) business day after having been deposited with the courier. Notices via e-mail or fax are deemed delivered on the date transmitted and received if a business day, otherwise on the first business day thereafter.
- (c) Notices shall be addressed or transmitted to the addresses set forth below or such other address that a party may designate in the manner prescribed herein:

District: ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
PROJECT MANAGER
Paul Cappetta, P.E.
Bureau of District Projects and Construction
P.O. Box 1429
Palatka, FL 32178-1429
Phone: (407) 659-4841 or (386) 983-1095
Fax: (386) _____
Email: pcappetta@sjrwmd.com

Copy to: ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
Director Real Estate Services Program
P.O. Box 1429
Palatka, Florida 32178-1429
Phone: (386) 312-2342
Fax: (386) 329-4848
Email: stheus@sjrwmd.com

Lessee:

LJF FPS, LLC
PROJECT MANAGER
Corey Warner
862 South Duncan Drive
Tavares, FL 32778
Phone: (352) 383-7196
Fax: (407) 297-6164

Agent: Environmental Consulting and Design (EC&D)
Carl Salafrio
2401 NE 18th Terrace, Suite A

Gainesville, Florida 32609
Phone: (352) 339-1118 or (352) 371-4333
Email: csalafrio@ecdflorida.com

6. Permits.

- (a) Save and except the Noticed General Permit from the FDEP, Lessee is responsible for obtaining and paying the permitting fees for any and all other permits, or modifications or renewals thereof, necessary for Lessee's operations on the Property, any other lands within the EMCA, and transportation off the Property, including, but not limited to, if required, those of the United States Army Corps of Engineers, the St. Johns River Water Management District, and local governmental agencies. The District is responsible for applying for at its cost and paying the permitting fees for the FDEP Noticed General Permit, including the entire term and any renewals (including the Storage Term, if required). Lessee shall provide the District with updated signed and sealed plans as necessary for the District to obtain future FDEP Noticed General Permits for Lessee's operations on the Property. The District will provide the assistance reasonably expected of a landlord as requested by the Lessee for the Lessee to obtain all other permits necessary for Lessee's operations on the Property, including, without limitation, hosting meetings, attending meetings and providing available information in support for the Lessee's activity on the Property. As of the Effective Date of this Second Amendment, all permits required for Lessee to commence its operations have been obtained.
- (b) Lessee will conduct its operations in accordance with all applicable governmental rules, regulations, ordinances and laws, and shall assume responsibility for and address any non-compliant activities associated with Lessee's activities on the Property. Lessee, at its sole expense, shall provide all safeguards and protection required by all governmental agencies having jurisdiction to protect the Property from damage resulting directly from Lessee's activities on or off the Property related to this Lease.
- (c) Lessee shall indemnify and hold the District harmless from and against any and all liability, claims, demands, fees, penalties, expenses, suits, proceedings, actions and causes of action, including reasonable attorneys' and related fees, for personal injury, property damage, or violation of any applicable environmental laws arising out of or caused by Lessee's undertaking of the activities set forth in paragraph (6) or failure to comply with permit conditions.

7. Drainage, Maintenance of Water Levels and Protection of Water Quality.

- (a) Lessee is responsible for conveying water and operating and maintaining the Emeralda Island Road Pump Station ("Pump Station"). Water discharged by Lessee at the Pump Station shall not exceed the TMDL concentration targets established for Lake Griffin, as may be amended, in any previous 365-day "look-back" period. The 2023 annual allowable load calculation for the Property is 512 kg/yr. Lessee shall not operate the Pump Station unless the water levels at Cabbage Hammock Monitoring Station are at or above elevation 56.0 NAVD. Additionally, levee repair and improvements may be required between the Lease Property and Yale-Griffin canal, which shall be Lessee's

responsibility. The District shall be responsible for cleaning and otherwise maintaining vegetation in the Feeder Canal from the District's telemetry site/boat ramp to Emerald Island Road such that if Lessee maintains water levels at the west end of the Feeder Canal at not less than 56.0 NAVD, the Lessee will be able to operate the Pump Station with an estimated maximum capacity of 9,000 gallons of water per minute (gpm), unless otherwise notified by the District 24 hours in advance, or in the event of an emergency, as early as practicable, due to resource concerns.

- (b) (i) The District agrees to inspect the Feeder Canal at least annually to insure that there will be no diminished capacity in the Feeder Canal affecting the Lessee's operations, and will take actions, when necessary, such as cleaning, removing vegetation from the Feeder Canal, unless such pumping is at the time the District is cleaning the canal or removing vegetation, where these activities prevent accommodating Lessee's requirements. Notwithstanding the above, the District will take reasonable actions to accommodate discharges from the Property in advance of hurricanes, tropical storms or anticipated flooding events. The District shall be solely responsible for discharging and pumping water in a timely manner as above from the Property. The Lessee shall ensure that water discharged from the Property into waters of the state meets applicable State of Florida water quality requirements. Water discharged by Lessee at the Pump Station shall not exceed the TMDL concentration targets established for Lake Griffin, as may be amended, in any previous 365-day "look-back" period. The 2023 annual allowable load calculation for the Property is 512 kg/yr. The parties agree that the Lessee need not treat, or otherwise ensure compliance with water quality requirements, any water overflow off the Property or other adjoining lands resulting from rainfall exceeding a 24 hour, 25 year storm event, unless otherwise required by permit or law. In the event such a storm event is foreseeable, Lessee may pause such treatment, unless otherwise required by permit or law, 24 hours before the expected storm event. After any storm event with rainfall exceeding a 24 hour, 25 year storm event, the Parties will meet as soon as practicable to assess relevant site conditions and reach agreement on when treatment will resume.
- (ii) The parties agree that when Lessee anticipates moving to a new phase it may be necessary to pump down the water in the new phase to dry conditions. This pumping shall occur when required by the Lessee; provided however, that if avian wildlife are attracted to the area that is being drawn down, Lessee and the District shall confer and take such steps as are required to minimize risk to avian wildlife. The Lessee shall institute the fish kill plan included in Lessee's State 404 Program Individual Permit No. 0350037-002-SFG, acting reasonably, during any such drawdown. During these transitions from excavating one phase and commencing excavation in another phase, it is acceptable for Lessee to work in two phases at once to facilitate contouring. It is the intention of the Parties to remove water from a new phase in advance of termination of excavating in the old phase, to eliminate any excavating downtime.
- (c) The Lessee's ability to discharge water from the Property is limited by the capacity of the existing pump, or such greater capacity of any replacement pump, to be utilized for this purpose as well as the protocols established pursuant to sub-paragraph 7(b) above and sub-paragraph 7(e) below. The estimated maximum capacity for the Pump Station

to pump water out of the Feeder Canal is 9,000 gpm. The Lessee shall be required and agrees to maintain, repair and replace, if required, the pump and associated equipment, as necessary, during the term of the Lease, so as to allow pumping to continue at or above an operational level of approximately 9,000 gpm. Typical maintenance includes refurbishment of the pump every seven to ten years.

- (d) Lessee shall be responsible for all reasonable commercial actions necessary to maintain water levels on the Property that do not involve the discharge of water from the Property.
- (e) When the Lessee discharges water through the Pump Station, Lessee shall provide the District with not less than three business day's written notice thereof. Such notice shall be given to the District's Project Manager as provided herein. Notwithstanding the above, Lessee may discharge water through the Pump Station with one business day written notice to the District's Project Manager when rainfall exceeding a 24-hour, 25-year storm event necessitates such pumping.

8. Roadway Development, Maintenance, Usage and Release.

- (a) Lessee shall have the right to utilize existing roads or build temporary roads on the Property as may be required by it for its operations on the Property as set forth in the Excavation and Contour Plan.
- (b) Lessee shall maintain, repair and restore any such roads it constructs or utilizes (to a similar state as existed prior to its use, reasonable wear and tear excepted) in accordance with the Excavation and Contour Plan. Existing roads shall be restored to the same or better condition that existed prior to such use. Lessee shall remove all roads that it constructs as required by the District and permits issued to Lessee.
- (c) The Parties understand and agree that District staff will visit the Property for the purpose of implementing and ensuring compliance with the terms of this Lease and other matters. In so doing, District personnel will utilize roads constructed by Lessee. The District is responsible for the safety of its employees while utilizing such roads, any damage to the roads arising from such use and takes the condition of those roads as they exist at the time of use by District personnel.
- (d) Lessee is solely responsible for obtaining and complying with any required federal, state, or local permits related to the use of roads and transportation of material off the Property.

9. Boat Access. As part of the consideration for this Lease, and notwithstanding any previously approved plans, Lessee shall excavate the shallow canal to allow passage of boats drawing 4 feet of water utilizing the existing boat ramp located at CR 452 within 30 days of the expiration of the initial term, a renewal term, or termination of the Lease. For clarity, the boat ramp may not be used, and access to the Property by third parties shall not be allowed, until the later of expiry of the Term, as renewed, or termination of the Lease. This provision shall survive the expiration or termination of the Lease.

10. District Rights Regarding the Property. Notwithstanding any other provisions of this Lease, the District retains the right to use the Property for any and all purposes that do not interfere with Lessee's rights under this Lease (including, without limitation, Lessee's excavation and storage operations, and the quality of the soil), including conducting prescribed burns and engaging in other water management activities on portions of the Property that are not being actively excavated, provided that, except for emergencies, the District will give the Lessee at least fifteen (15) days written notice prior to undertaking any activity on the Property.

11. Inspection of Premises. The District reserves the right for its officers, agents, employees or assigns to enter upon the Property, at its sole risk, at any reasonable time to make surveys or conduct inspections for the purpose of determining whether the provisions of this Lease are being observed, or for any other purpose as determined by the District. Such entry shall not interfere with Lessee's use of the Property and Lessee shall not prohibit Lessor from accessing the Property.

12. Financial Assurance.

(a) Lessee shall provide the District with a performance bond or letter of credit ("Financial Assurance") in an amount not to exceed \$500,000.00, as security for performance of all of its obligations under this Agreement. The Financial Assurance will be provided incrementally as follows:

i. The initial, base increment shall be in the amount of \$100,000.00, which shall be provided by Lessee prior to the commencement of any construction or excavation activities under the lease. Lessee has provided the initial increment of Financial Assurance through a performance bond issued by U.S. Specialty Insurance Company (Bond No. 1001157201). The initial \$100,000.00 increment of Financial Assurance shall remain in place until all restoration activities set out in the Excavation and Contour Plan, including the removal of Lessee's buildings and equipment from the Property, and the termination of this Second Amendment in accordance with its terms.

ii. Lessee contemplates dividing its excavation activity into five (5) separate cells within the Property. Prior to commencing excavation activities in any one of the 5 cells, Lessee shall provide an additional increment of \$100,000 to the Financial Assurance. Lessee shall provide notice to the District upon completion of excavation work, restoration activities, and related cleanup of a cell. If these activities have been completed to the District's satisfaction, the District shall provide written notice to Lessee that the \$100,000 provided for that cell shall be released.

iii. Should Lessee desire to commence excavation activities in an additional (separate) cell or cells prior to completion of excavation, restoration, and cleanup activities in a cell for which the \$100,000 in Financial Assurance has been provided by Lessee, Lessee shall provide an additional \$100,000 for each cell in which excavation will commence, up to a maximum total of \$500,000 in Financial Assurance for the entire Property. For example, if Lessee desires to commence excavation in Cell number 2, before excavation, restoration, and cleanup activities are

completed in Cell number 1, Lessee shall provide an additional \$100,000 of Financial Assurance before commencing excavation in Cell number 2.

(b) The initial \$100,000 increment of the Financial Assurance shall be delivered to and accepted by the District prior to the commencement of any construction or excavation activities under the Lease. All costs for issuance and maintenance of the Financial Assurance shall be paid by Lessee. The Financial Assurance shall only be used in the event of default or non-performance by Lessee as provided in subparagraph (a), above.

(c) The surety bond shall be in a form approved by the District and written through a licensed agency that fulfills the requirements of section 287.0935, Fla. Stat. The surety executing the bond must be rated no less than "Excellent" for both financial strength and issuer credit, with a rating outlook of stable or positive for both, and must have a financial size rating of VII or better according to the latest information available from A.M. Best Company, Inc.'s rating and analysis web site.

13. Insurance. At all times during the term of this Lease, Lessee shall maintain general liability insurance in an amount not less than \$1,000,000.00. The District, and any successors or assigns of the District, shall be named as an additional insured under such insurance. Reasonable proof of such insurance shall be provided to the District prior to the Lessee accessing the Property, and in any event, no later than (10) days after execution of this Lease by the District. By January 30 of each year, Lessee shall provide proof to the District that the requirements of this paragraph are met.

14. Indemnification. Lessee shall indemnify and hold the District harmless from and against any and all liability, claims, demands, fees, penalties, expenses, suits, proceedings, actions and causes of action, including reasonable attorneys' and related fees, for personal injury, property or other damage (reasonable wear and tear, force majeure and insured events, to the extent covered by insurance, excepted), public or private, to the extent they directly arise or directly result from the actions, activities or omissions of Lessee, its employees, agents, contractors, consultants, invitees, or others affiliated with Lessee, related in any way to this Lease. Lessee shall defend the District in any action for such claims at Lessee's sole expense. Lessee's indemnification and defense obligation set forth above shall not under any circumstances extend to any actions, activities or omissions engaged in by the District, its employees, agents, consultants, invitees, licensee's or others affiliated with the District, or any predecessor in title to the District, upon, at, around, near or regarding the Property, which give rise to any liability, demands, fees, penalties, expenses, suits, proceedings, actions, causes of action or claim, whether through any affiliate or directly. The District shall be responsible for and shall take responsibility for any liability, claims, demands, fees, penalties, expenses, proceedings, actions and causes of actions for personal injury, property or other damage (force majeure and insured events, to the extent covered by insurance, excepted), public or private to any third party to the extent they directly arise or indirectly result from the actions, activities, or omissions of the District, its employees, agents, contractors, consultants, invitees, or others affiliated with the District. Nothing in this Lease shall be construed as a waiver of the liability limits and procedural requirements of section 768.28, Florida Statutes.

15. Prohibition Against Assignment. The rights and obligations created by this Lease shall run with the land (Property) and shall be binding upon and inure to the benefit of the District and

Lessee and their successors and assigns. In the event Lessee desires to record this Lease or any document evidencing the existence of this Lease in the public records, the District shall execute such reasonable consents and other documents required for such recording, and the Lessee shall, within twenty (20) days of expiration or termination of this Lease, record evidence of such expiration or termination in the public records. After 20 days, the Lessee waives objection to the recording of such evidence by the District and agrees to pay all costs associated with such recording and clearing of title. Lessee shall not have the right to assign any rights or obligations under this Lease without the District's prior written consent, which shall not be unreasonably withheld. The District shall not have the right to assign any rights or obligations under this Lease without Lessee's prior written consent; provided, however, that the District's rights hereunder may be transferred in connection with a sale of the Property without the consent of but upon not less than 30 days prior written notice to the Lessee, provided that concurrently with such transfer, the transferee covenants and agrees, and shall execute a covenant to and in favor of the Lessee that the transferee assumes and agrees to undertake and abide by all of the District's obligations under this Lease; and provided further that the Lessee shall not be disturbed from carrying out its permitted activities under this Agreement as long as it is in substantial compliance with its obligations under this Agreement.

16. Maintenance and Use of the Property.

- (a) Lessee shall repair and maintain all fences, roadways, and gates used by Lessee as presently existing on the Property in reasonably the same condition existing on the Effective Date, reasonable wear and tear excepted and taking into account the passage of time of the term of the Lease. Lessee shall maintain, repair and operate, at its sole cost and expense, ditches, pumps and appurtenant works on the Property used by it in reasonably the same condition existing on the Effective Date, reasonable wear and tear excepted and taking into account the passage of the time period of the term of the Lease. For clarity, Lessee shall only be responsible to maintain those improvements and portions of the Property used or damaged by Lessee, its employees, agents, contractors, or invitees. Lessee is not responsible for repairing any damage to any improvements on the Property caused by or resulting from use by third parties, whether or not authorized by the District.
- (b) No hunting, unlawful, or offensive activities by Lessee will take place on the Property. Lessee, as part of the consideration for this Lease, will report all acts of trespass and vandalism that it becomes aware of to the District and proper authorities. Lessee shall notify the District's Project Manager in a timely manner upon becoming aware of the addition, replacement or removal of any lock from gates to the Property and provide the Project Manager with the combination to any lock added or replaced on any gate by it.
- (c) There shall be no dumping or placing of any garbage or refuse on the Property by Lessee, except in conjunction with activities authorized under this Lease.
- (d) All buildings and personal property placed upon or moved in or upon the Property by Lessee shall be at the sole risk of Lessee. The District shall not under any circumstances be liable for any damage to or loss of said property unless resulting from the negligence of the District, its agents, employees or contractors.

- (e) Upon completion of work or termination of the Lease, Lessee shall refurbish the pump and motor associated with the Pump Station, so that the Pump Station is returned to equal or better condition than the condition when Lessee's operations began. A complete list of refurbishment activities includes those listed in Exhibit C, attached hereto and incorporated herein.

17. Liens. Lessee shall pay all lawful debts incurred by Lessee with respect to the Property and shall satisfy all liens of contractors, sub-contractors, mechanics, laborers, and materialmen with respect to any construction, alteration and repair on the Property by Lessee, and any improvements thereon authorized by Lessee, its agents or employees. Lessee shall have no authority to create any mortgages on the Property or liens for labor or material on or against the Property. All persons contracting with Lessee for financial assistance, the construction or removal of any structure, or for the erection, installation, alteration or repair of any structure or improvement on the Property, including all materialmen, contractors, mechanics and laborers involved in such work ("Contractor"), shall be notified by Lessee that they must look to Lessee only to secure the payment of any bill or account for work done, material furnished, or money owed. If any lien is registered on title to the Property by any Lessee Contractor, the Lessee shall discharge or bond such lien off title to the Property within 45 days of receipt of notice of registration of such lien.

18. Taxes and Assessments. Lessee is responsible for payment of all ad valorem, non-ad valorem, intangible personal property taxes, and special assessments as may be levied or assessed against the Property, or the improvements and personal property of Lessee, or its interest in the Property resulting or arising from the Lessee's use of the Property. Lessee may, at its own expense and in its own name, contest any such taxes or special assessments. The District will cooperate fully with Lessee in any such contest when the District determines, in its sole judgment and discretion, that Lessee is being incorrectly assessed for any taxes. The District will provide the Lessee with copies of any assessments or other tax notices, so that the Lessee can file any notice of contest in a timely manner and pay for any tax payable by it in a timely manner so as to obtain any available early payment discount.

19. Utilities. Lessee is responsible for payment of all hook-up, connection fees, electrical costs, and utility service bills for its use of such service including, but not limited to, costs associated with its operating the Pump Station. Beginning July 1, 2023, the District will provide an invoice to Lessee for Lessee's proportional share of utility services charges for Lessee's operation of the Pump Station on a monthly basis. Lessee shall reimburse the District within 45 days of receipt of the invoice. The District must review and approve any proposed path and any legal instrument that may be required by the service provider for this purpose, which approval will not be unreasonably withheld.

20. Safety of Property. The District shall bear no financial cost, expense or obligation as a result of this Lease, other than the obligation to lease the Property to Lessee and operate the facilities to and remove water from the Property and any other obligations of the District as otherwise provided herein. Lessee has the sole and complete duty of ensuring the safety of its use of the Property for all persons utilizing the Property in any capacity whatsoever related to Lessee's use thereof, except as otherwise specifically provided herein. Nothing under this Lease or any usage by the Lessee, or those for whom in law the Lessee is responsible, of the District's land and water contemplated thereby shall render the District liable for personal injury or damage to any of

Lessee's property whatsoever, or for personal injury or damage to a third party's property, resulting in any way from the activities of the Lessee authorized by this Lease.

21. Discharge of Pollutants. The discharge of any fuel, oils, petroleum products, litter or other materials that could cause pollution as that term is defined in section 403.031, Fla. Stat., that may result from Lessee's use of the Property contrary to applicable environmental laws is prohibited. If any materials that could cause pollution as that term is defined in section 403.031, Fla. Stat., and that are brought to the Property by Lessee are discharged on the Property by Lessee contrary to applicable environmental laws, Lessee shall immediately notify the District and shall be solely responsible for any and all costs associated with any resulting clean up and remediation. Lessee shall investigate and comply with all applicable federal, state, county, and municipal laws concerning toxic wastes, hazardous substances, and pollution of surface and ground waters. If any waste, toxic or hazardous substance, or other material that can cause pollution, as defined in section 403.031, Fla. Stat., is dumped or spilled in unauthorized areas by Lessee, Lessee shall notify the District thereof within one (1) workday and thereafter shall remove the material and restore the area to its original condition as existed prior to such spill or dumping by Lessee. If necessary, contaminated ground caused by Lessee shall be excavated and disposed of as directed by the District and replaced with suitable fill material, compacted and finished with topsoil, and planted as required to re-establish vegetation. All investigation, cleanup and disposal costs shall be borne by Lessee, provided that such contamination is caused by Lessee. Lessee has no responsibility for pre-existing conditions on the Property except to the extent Lessee's specific activities on the Property, including exposing (which does not include discovery) and/or disturbing those conditions, caused a violation of applicable federal, state, county and municipal laws concerning toxic wastes, hazardous substance and pollution of surface or ground waters. Lessee shall indemnify and hold the District harmless from any environmental damage or loss to the extent it arises from Lessee's activities on the Property, as described herein. The District shall be responsible for and shall take responsibility for any liability, claims, demands, fees, penalties, expenses, proceedings, actions and causes of actions for personal injury, property or other damage, public or private to any third party to the extent they arise or result from the actions, activities, or omissions of the District, its employees, agents, contractors, consultants, invitees, or others affiliated with the District. The foregoing does not constitute a waiver of the limits and procedures provided for in section 768.28, Florida Statutes.

22. Environmental Site Assessment.

- (a) If a release or potential release of pesticides or metals present in the soils is neither exempt from reporting under section 101(3) nor federally permitted as defined in section 101(10) of the Comprehensive Environmental Response, Compensation and Liability Act, the District may terminate the Lease without any further obligation or liability.
- (b) Prior to the expiration of the initial or extended Lease term, or within 60 days after the expiration or termination of this Lease and restoration, whichever date is later, either party may, at its sole discretion, perform or cause to be performed a Phase I Environmental Site Assessment (ESA) of the Property. The cost of such Phase I shall be shared equally by the Parties. The non-requesting party shall be entitled to approve any firm(s) and costs prior to commencement, which approval shall not be

unreasonably withheld. The party ordering the Phase I assessment shall provide the other with a copy of the ESA with five (5) days of completion and receipt of such report by such party. If the ESA, or any approved amendment thereto, reveals areas of environmental concern that, the opinion of either party, warrants further investigation, either party may, at its sole discretion perform or caused to be performed an appropriate Phase II ESA or additional investigations, the cost of which shall be borne equally by the Parties. The party ordering the Phase II assessment shall provide the other with a copy of the ESA with five (5) days of completion and receipt of such report by such party.

- (c) Any financial responsibility for remediation of environmental conditions on the Property caused or reasonably caused by Lessee, its employees, agents, contractors, or invitees, as a result of Lessee's operations and consisting of materials or substances that did not exist on the Property prior to Lessee's use and occupancy of same and have not otherwise been exposed or disturbed by Lessee's activities as set out in paragraph 22, shall be the total responsibility of Lessee. Lessee shall cure any such conditions caused by Lessee, its employees, agents, contractors, or invitees, in accordance with any remedial clean-up plan(s) as may be approved by the District and other governmental agencies pursuant to environmental laws. Any financial or other responsibility for remediation of environmental conditions on the Property not caused or reasonably caused by Lessee as a result of its operations, but discovered before or during Lessee's activities shall be the responsibility of the Lessee if Lessee begins or continues its activities. The District shall be responsible for any pre-existing environmental matters or environmental conditions including any such matters or conditions caused by it, its employees, agents, contractors, or invitees, to the extent not exposed or disturbed by Lessee as set out in paragraph 22. Upon discovery by Lessee of such matters or conditions, Lessee shall immediately stop and not recommence work. This provision is a contractual obligation that does not absolve Lessee or the District of any legal obligation either may have under environmental laws in existence on the date hereof, or as may exist on the date of termination.

23. Default.

- (a) Lessee shall be considered in default in the event Lessee: (1) uses the Property for any material purpose not expressly authorized by this Lease; (2) assign or attempts to assign this Lease or any portion of the Property contrary to the terms of this Lease without the District's prior written consent; (3) fails or refuses to pay royalties when due; or (4) fails to comply with any other material term of this Lease.
- (b) In the event of default by Lessee, the District shall provide Lessee written Notice of Default, stating the nature of the default and the actions that must be taken to cure the default. Lessee shall have not less than thirty (30) days after receipt of Notice of Default to cure the default or to commence curing the default within such longer time period as may reasonably be required in the circumstances. Upon failure by Lessee to cure the default within the time period set forth in the Notice of Default, the District may reenter the Property, and repossess and enjoy the Property, as in its first and former estate, and thereupon the Lease term shall terminate and all of the District's

obligations with respect to the Lease shall cease and be null and void, without prejudice to the District's right to recover from Lessee any sums due hereunder, including, but not limited to: (1) due and unpaid royalty payments; and (2) costs of restoring the Property in accordance with the Excavation and Contour Plan, all applicable permit conditions, and this Lease. In the event excavated material is stored on the Property upon termination due to default, Lessee shall be permitted to re-enter the Property for the Storage Term solely for the purpose of removing the stored material therefrom, the Royalties payable with respect to such removed excavated material to be applied toward satisfying all remaining financial obligations under this Agreement, and all obligations pertaining to restoration of the Property in accordance with the Excavation and Contour Plan.

24. Termination.

- (a) Lessee may terminate this Lease, with or without cause, upon giving the District 90 days advance written notice of such termination. In such event, (i) if notice of termination is given prior to the Final Approval Date, no compensation will be payable by Lessee to the District; and (ii) if notice of termination is given after the Final Approval Date, then no later than the Effective Date of termination, Lessee shall pay the District all Royalty due as of the date of termination based upon soil removed. Said payment shall not discharge Lessee from its responsibility to restore those portions of the Property from which soil has been removed to the condition provided for in the Excavation and Contour Plan.
- (b) The District may terminate this Lease in the event of a default and failure to cure by Lessee as described above.
- (c) Upon termination of the Lease, Lessee shall have six months to restore and contour the Property in accordance with the Excavation and Contour Plan. If this Lease is terminated by Lessee prior to excavation of all the soil contemplated by the Excavation and Contour Plan, Lessee shall prepare an amended Excavation and Contour Plan, which shall specify the manner in which the areas that have been excavated will be completed in accordance with the intent and objectives of the original Excavation and Contour Plan. The District and any necessary regulatory permitting agencies must approve the amended Excavation and Contour Plan, such approval not to be unreasonably withheld.
- (d) In the event Lessee fails to remove its personal property, equipment, and buildings from the Property (other than from the Storage Area, on which it may keep its property, equipment, buildings, soil and other items until six months after expiration of the Storage Term) and restore and contour the Property to the condition required by the Excavation and Contour Plan within the six month period, the District may proceed with such removal and restoration without any liability to Lessee and may dispose of the personal property, equipment, and buildings in any manner, as determined by the District in its sole judgment and discretion. Lessee shall be responsible for all costs of removal and restoration and the District may draw upon the Financial Assurance

described in paragraph 12 to pay for any costs the District incurs to complete the removal and restoration activities.

25. Non-waiver of District Regulatory Authority. Nothing herein shall be construed as a waiver of, or contract with respect to, the regulatory and permitting authority of the District as it now or hereafter exists under applicable laws, rules and regulations. Lessee shall not be disturbed from carrying out its permitted activities under this Agreement as long as it is in substantial compliance with its obligations under this Agreement, and its operations are in strict compliance with all environmental permits, but this Lease does not take precedence over subsequently enacted statutes or regulations of general application to the extent they may conflict with the proprietary rights granted under this Lease. Provided that if any such subsequently enacted statute or regulation prohibits or impedes the Lessee from carrying out its activities as contemplated by this Agreement in a reasonable manner, the Lessee may terminate this Agreement as set out in Section 24 above.

26. Dispute resolution. In the event a dispute arises between the Parties regarding any matter that is the subject of this Agreement, the Parties shall meet in a good faith effort to resolve the dispute, firstly by discussion between the persons involved in the dispute, and, if not resolved in 10 work days, then by discussion between the District's executive and/or legal counsel and an executive and/or legal counsel of the Lessee. If these efforts do not resolve the dispute after 30 days of notice of one party to the other of a dispute (the "Resolution Period"), the Parties shall retain the services of a mutually agreed upon and duly qualified mediation professional to assist the Parties through non-binding mediation, and shall share equally in the cost of mediation. If the Parties are not able to agree on a mediator within 15 days after the Resolution Period, or, if after a reasonable mediation effort the mediator determines that the Parties remain at impasse, the mediator shall so certify, which in any event may be no later than 30 days after the Resolution Period, the requirement for mediation or the mediation effort, as applicable, shall be terminated. Thereafter, the Parties may pursue available judicial or administrative remedies.

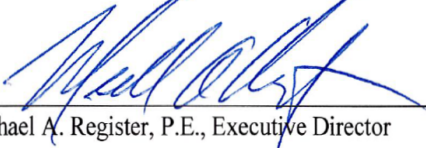
27. Governing Law: Waiver of Jury Trial. This Lease shall be construed and interpreted according to the laws of the State of Florida and the courts of Lake County shall be the venue for any dispute between the Parties arising from this Lease. As used herein, "shall" is always mandatory. In the event of any civil or administrative legal proceedings, including appeals, arising from or related to this Lease, each party shall bear its own attorney's fees. For civil proceedings, the Parties hereby consent to trial by the court and waive the right to jury trial.

28. Entire Agreement. This Lease constitutes the entire agreement of the Parties. There are no oral understandings dealing with the subject matter of this Lease. This Lease may not be amended, except in writing signed by the Parties. Any provisions hereof that by their terms extend or require performance beyond termination will remain in full force and effect after termination as necessary to effectuate such performance.

Signatures on the following page.

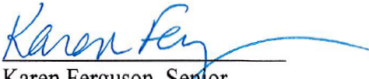
IN WITNESS WHEREOF, the District and Lessee, by and through their duly authorized representatives, have signed this Lease on the date below each signature, the last of which shall be inserted into the first paragraph.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT

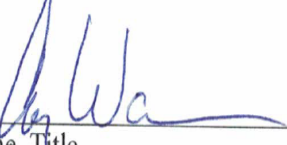
By: 
Michael A. Register, P.E., Executive Director

Attest: 
Erin Preston, General Counsel

Approved as to legal form:

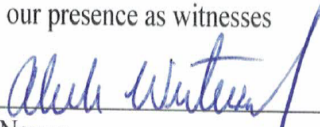

Karen Ferguson, Senior
Assistant General Counsel

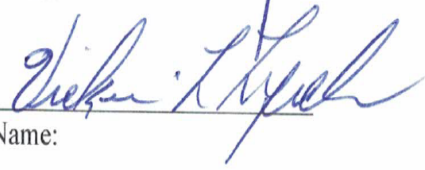
LJF FPS, LLC, D.B.A. Florida Potting Soils

By:  C.F.O.
Name, Title

Date: 6-15-2023

Signed, sealed, and delivered in
our presence as witnesses


Name:


Name:

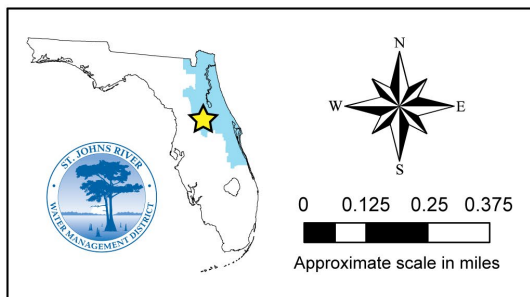
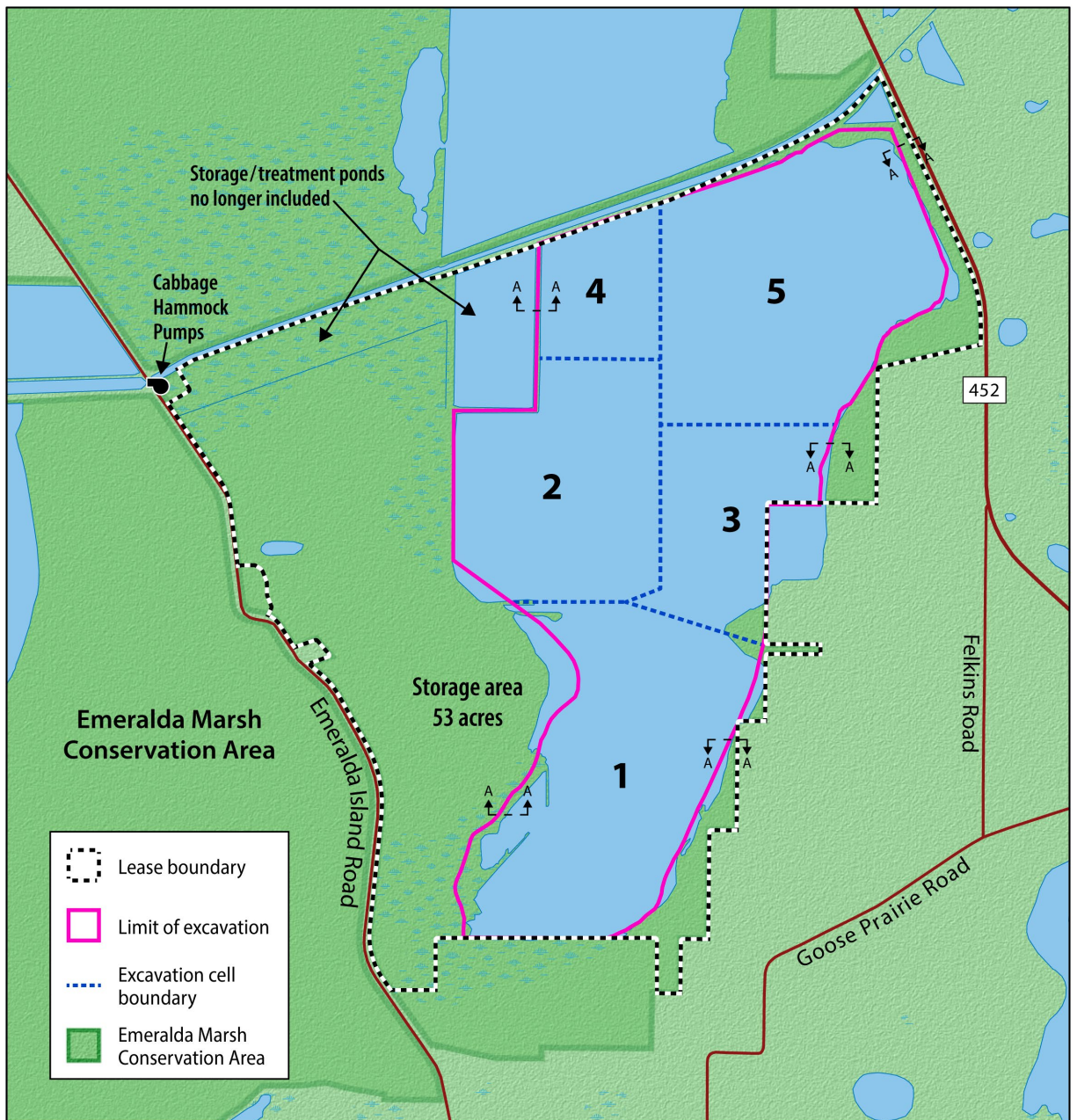


Figure 1
Emeralda Marsh Conservation Area Peat Removal

The St. Johns River Water Management District prepares and uses this Information for its own purposes and this information may not be suitable for other purposes. This information is provided as is. Further documentation of this data can be obtained by contacting: St. Johns River Water Management District, Geographic Information Systems, Program Management, P.O. Box 1429, 4049 Reid Street Palatka, Florida 32178-1429 Tel: 386-329-4500.

Exhibit B

U:\Projects\ICADD\UOR\EMERALDA MARSH\05 Production Drawings\EMERALDA MARSH SECT A-A.dwg

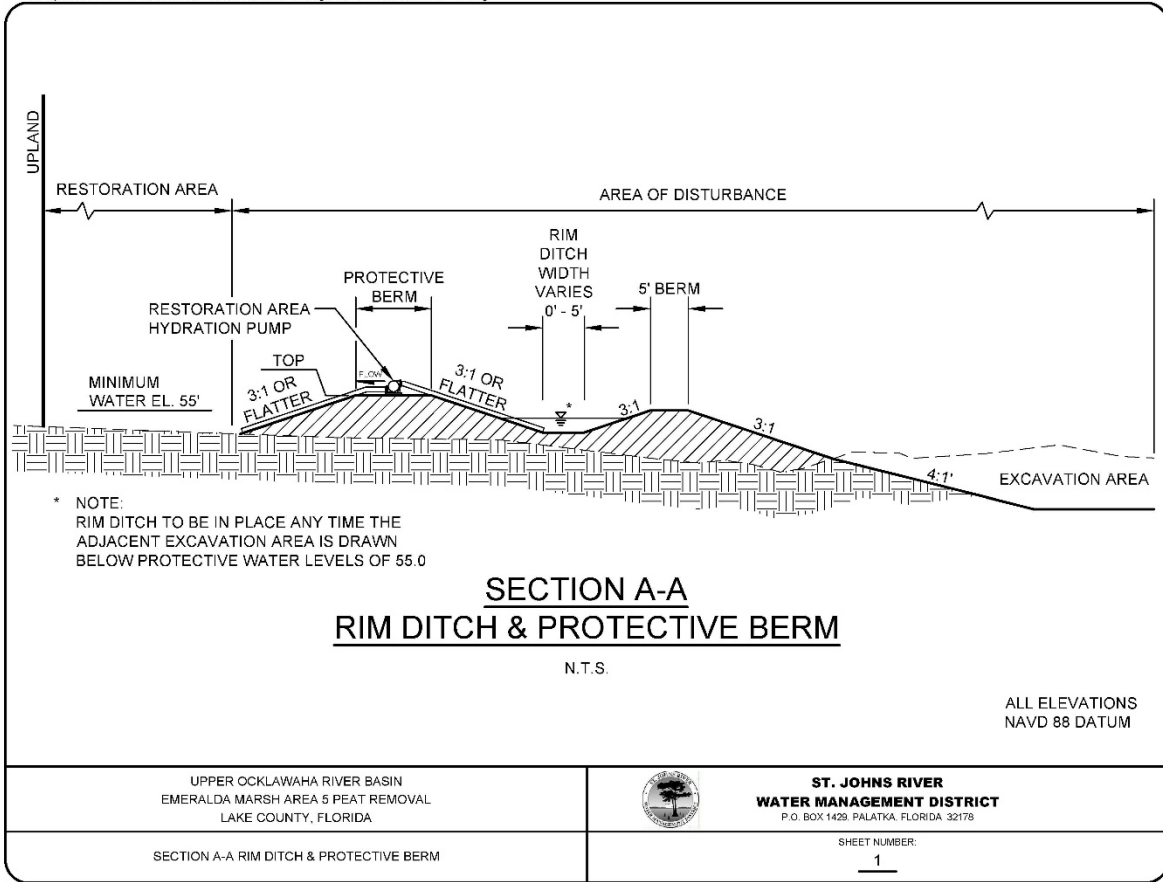


Exhibit C – List of Activities included in Pump Station refurbishment

Pump refurbishment:

1. Repair bearing and seal area on existing shaft with "Metco" metalizing or approved equal.
 2. Replace all bronze bearings.
 3. Re-weld cracks throughout pump as required.
 4. Repair and re-weld distributor blades on pump.
 5. Re-blade and re-balance impeller.
 6. Replace Cutlass bearing.
 7. Replace seals.
 8. Replace all lubricants.
 9. Supply new gaskets and hardware.
 10. Sandblast and epoxy coat pump inside and out.
 11. Pump to be sandblasted to a near white finish and epoxy coated with 8-10 mils of Shermin Williams Paint Dura Plate 235 or approved equal.
 12. Submit impeller curve for completed repair.
 13. Provide detailed list of all repairs and work completed.
-

Motor refurbishment:

1. Dismantle and analyze AC motor.
 2. Measure mechanical fits.
 3. Perform electrical test.
 4. Steam clean and bake stator.
 5. Inspect stator for integrity.
 6. Resin treat stator windings.
 7. Clean all parts.
 8. Dynamic balance rotor.
 9. Assemble and paint AC motor.
 10. Replace bearings.
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